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RUEATRS/DEPT OF TREASURY  
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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 001754

SIPDIS

HQ SOUTHCOM ALSO FOR POLAD  
TREASURY FOR MMALLOY  
COMMERCE FOR 4431/MAC/WH/JLAO  
TRANSPORTATION FOR BRIAN HEDBERG  
CA FOR CA/OCS/ACS FOR WILLIAM HURST

E.O. 12958: DECL: 12/12/2018

TAGS: [ECON](#) [CASC](#) [CVIS](#) [ASEC](#) [MARR](#) [PGOV](#) [EAIR](#) [PREL](#) [ETRD](#)

KHLS, PTER, EWWT, SNAR, VE

SUBJECT: VENEZUELAN CABINET RESHUFFLE MAY AFFECT PORTS AND  
AVIATION

REF: A. CARACAS 1633

[1](#)B. 05CARACAS 512

[1](#)C. CARACAS 327

[1](#)D. CARACAS 1299

[1](#)E. TD-314/70586-05

[1](#)F. CARACAS 1702

[1](#)G. CARACAS 1637

Classified By: Economic Counselor Darnall Steuart for reasons 1.4  
(b) and (d).

[1](#)1. (C) SUMMARY: Chavez appointed Diosdado Cabello Rondon, the person most frequently mentioned as a possible successor, as the new Minister of Infrastructure (Minfra) on December 6. Cabello lost his re-election bid for the governorship of Miranda State in the November 23 election. We have already seen indications that Cabello may be using his influence in the Venezuelan civil aviation authority (INAC) to retaliate against domestic, political enemies. It is uncertain whether his appointment will have an impact on our efforts to arrange a February 2009 US Coast Guard port visit. Although our contacts at the Ministry of Foreign Affairs (MFA) seem to view the visit positively, we have not yet received written confirmation from the Venezuelan government on the proposed January 12 meeting to discuss the Coast Guard request. END SUMMARY.

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CHAVEZ REARRANGES HIS CABINET WITH THE SAME OLD FACES  
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[1](#)2. (C) President Chavez recently re-appointed three of his partners in the 1992 coup attempt to his cabinet, after two lost elections in November and a third could not run again due to term limits. On December 6, Chavez announced his appointment of former military academy classmate Diosdado Cabello to his second stint as Minister of Minfra. Cabello lost his re-election bid for the Miranda governorship in November (ref A). On the same day, Chavez also appointed former Justice and Interior Minister Jesse Chacon, who lost his bid for the Sucre borough mayorship in Caracas, to once again serve as Minister of Communications and Information. The shuffle continued on December 10 with the appointment of a new Minister of the Secretariat of the Presidency Luis Reyes Reyes (Septel) whose profile is very similar to that of Cabello and Chacon. Cabello, who has held more positions in Chavez' cabinet than any other official, was Minfra Minister

from January 2003 to March 2004. (NOTE: For a long list of Cabello's other roles, which include a brief term as both the Venezuelan Vice President and a few hours as President in 2002, see ref B. As further evidence of Cabello's influence in the current administration, Jose David Cabello rode his brother's coattails to Minfra where he also served as Minister from March 2006 to February 2008. Jose Cabello is currently the head of Venezuelan tax authority Seniat (ref C). END NOTE.)

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CABELLO NO FRIEND TO THE USG  
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13. (C) Cabello, who is fond of accusing his enemies of being "instruments of the (US) empire", is well known for his anti-USG statements. In one example, on September 12, Cabello called the expulsion of Ambassador Duddy a sovereign decision, adding that the USG was "without a doubt" behind a purported Chavez assassination plot (ref D). During a September 15 speech Cabello also memorably insulted the head of TV station Globovision, Alberto Ravell, by saying "Ravell is the Charge of the American Embassy... If you (Ravell) touch a hair on Chavez' head, I will find you."

14. (C) In addition to complaints that Cabello failed to address the serious crime problem in Miranda state, Cabello's recent election loss was likely also due to frequent allegations that Cabello has used his string of high level appointments for self-enrichment. Cabello is one of Chavez' wealthiest confidants and there is considerable speculation regarding the source of his fortune (ref E). Among his many

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holdings, Cabello is reportedly the majority shareholder in Venezuelan airline Santa Barbara (SBA), one of two Venezuelan airlines with direct flights to the US. An aviation contact told Econoff on November 4 that Cabello, while not involved in drug trafficking to his knowledge, is just as bad in his own way as the current owners of Aeropostal, the Makled family (ref F).

15. (C) On December 17, Juan Carlos Escotet, the President of Banesco, Venezuela's leading bank, asked the Embassy for assistance with a bank-owned US registered aircraft. INAC withdrew permission for the aircraft to fly in Venezuelan airspace (and thus leave the country) this week in what Escotet believes is direct retaliation for his decision to freeze Miranda State bank accounts after Cabello lost his re-election bid for the governorship. Escotet said the Bank froze the accounts to ensure that Cabello did not avail himself of the funds before leaving office. Minfra, which until earlier this year had formal authority over INAC, still enjoys considerable influence in the agency and Escotet believes Cabello is using INAC to punish the bank for freezing the Miranda accounts.

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COMMENT  
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16. (C) In his current position, Cabello is ultimately in charge of Venezuelan ports and will play a role in the final decision on whether or not Venezuela will allow a proposed February 2009 Coast Guard visit to Venezuelan ports (ref G). As one of his first acts, Cabello replaced the President of INEA with his former Miranda State Director of Budget and Finance, Luis Rodriguez Guevara. There is reason to believe that the MFA sees the port visit as its opportunity to demonstrate to the incoming US administration that Venezuela is serious about cooperating. However, after sending two diplomatic notes to the MRE dated December 5 and 9 respectively, Post still does not have written confirmation that the Venezuelan government will allow the port visit to take place. The ultimate resolution of this issue may serve as an indicator of the strength of the hard-line faction in

the government versus those that might seek a rapprochement  
with the Obama Administration.  
CAULFIELD